



SAN DIEGO
HOUSING
COMMISSION

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
JANUARY 16, 2015
SMART CORNER
4th FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101**

ATTENDANCE

Present:

Chair Gary Gramling
Vice Chair Roberta Spoon
Commissioner Margaret Davis
Commissioner Kellee Hubbard
Commissioner Dorothy Surdi
Commissioner Frank Urtasun
President & CEO Richard C. Gentry
General Counsel Charles Christensen

Absent:

Commissioner Ben Moraga

10 CALL TO ORDER

Chair Gramling called the Regular Meeting to order at 9:05 a.m.

20 PUBLIC COMMENT

There were no public comments

30 COMMISSIONER COMMENTS

There were no Commissioner comments.

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

The Housing Commission will receive an additional \$14.5 million allocation from the California Mortgage Credit Certificate Program, which was announced in December. The additional funds will help approximately 85 families purchase a home through the Housing Commission's First-Time Homebuyer Program.



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The Grand Opening of Fairbanks Square in the Black Mountain Ranch community was held on January 14, 2015. Vice Chair Spoon and Commissioner Surdi attended the event. Fairbanks Square is a 98-unit apartment complex for low-income seniors. SDHC authorized the issuance of \$16.5 million in state multifamily housing revenue bonds for the acquisition of land and construction of Fairbanks Square, which was approved by the Housing Authority of the City of San Diego.

For the fifth consecutive time, SDHC is the lead organizer of Project Homeless Connect – Downtown San Diego, a one-day resource fair for homeless San Diegans that will be held on January 28, 2015. A news conference was held on January 13, 2015, at St. Vincent de Paul Village to kick off the volunteer and donation drive.

On January 15, 2015, California State Treasurer John Chiang announced that he is leading a new effort to address the inadequate supply of affordable housing in California. He plans to present a first round of solutions by the winter of 2015. Commissioner Urtasun commented that the Housing Commission should heighten awareness of its own efforts to address affordable housing costs.

On January 13, 2015, the President & CEO was honored by the San Diego Building Owners and Managers Association as one of six Public Officials of the Year.

Wake Forest University's magazine published an online article about President & CEO Gentry and his 42-year career in affordable housing.

50 APPROVAL OF THE MINUTES

The minutes of the regular Housing Commission meeting of November 21, 2014, and the minutes of the special Housing Commission meeting of November 21, 2014, were approved on a motion by Vice Chair Spoon, seconded by Commissioner Urtasun, and passed by a vote of 6-0.

CONSENT AGENDA:

Motion by Commissioner Urtasun to approve the items listed below on consent. Seconded by Vice Chair Spoon and passed by a vote of 6-0:

100 HCR15-013 Award of Irrigation Systems Maintenance Services Contract

That the San Diego Housing Commission (Housing Commission) takes the following actions:



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- 1) Approve the award of a one-year contract to Priceless Services, Inc. in an amount not to exceed \$150,000. The contract term shall be for a one (1) year period with three (3) one-year options based on the need of the Housing Commission
- 2) Authorize the President and Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources so long as the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions be to the benefit of the Housing Commission and its mission. Funding substitutions will be memorialized in an Informational Report at the next scheduled Housing Commission Board Meeting.
- 3) Authorize the President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and make such actions as are necessary and/or appropriate to implement these approvals.

101 HCR15-012 Amendment of Plumbing Services Contract

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve the exercise of the first option and amendment of a contract to Grading Plumbing Site Construction, Inc. (GPS Plumbing) in an amount not to exceed \$412,000. The contract option term shall be for a one-year period, with two (2) remaining one-year renewal options based on the need of the Housing Commission.
- 2) Authorize the President and Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources so long as the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions be to the benefit of the Housing Commission and its mission. Funding substitutions will be memorialized in an Informational Report at the next scheduled Housing Commission Board Meeting.
- 3) Authorize the President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and make such actions as are necessary and/or appropriate to implement these approvals.

102 HCR15-009 Lease Approval for Talk-A-Lot at the Smart Corner Building

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) take the following actions:



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- 1) Approve a lease for Talk-A-Lot (TAL) for a period of five years, with one (1) five-year renewal option that substantially conforms to the lease attached to this report; and
- 2) Authorize the President & Chief Executive Office (President & CEO), or designee, to execute all lease documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals.

103 HCR15-002 Final Bond Authorization for Pacific Highlands Ranch Family Housing I and II (Cielo Carmel)

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to \$18.7 million in multifamily housing revenue bonds to fund the land acquisition and development of Pacific Highlands Ranch (PHR) Family Housing I (aka Cielo Carmel I) and up to \$15.9 million in multifamily housing revenue bonds to fund land acquisition and development of PHR Family Housing II (aka Cielo Carmel II).

ACTION AGENDA:

104 HCR15-008 Park Crest Senior Apartments – Property Rehabilitation

Emmanuel Arellano, Director, Portfolio Management, Real Estate Division, presented the request for approval.

Motion by Commissioner Urtasun to take the following staff-recommended action. Seconded by Vice Chair Spoon and passed by a vote of 6-0:

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Ratify the addition of \$862,697 in Build America Bonds (BAB) funding to the Park Crest Senior Apartments (Park Crest) rehabilitation plan, as approved in the Housing Commission's Fiscal Year 2015 Budget;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute previously approved funding sources for the rehabilitation of Park Crest, contingent upon budget availability;
- 3) Authorize the President & CEO, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General



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Counsel, and to take such actions necessary and/or appropriate to implement these approvals in connection with the completion of the rehabilitation of Park Crest; and

- 4) Authorize the President & CEO, or designee, to enter into contracts with (architectural, mechanical, civil engineering, other) contractors, as a result of a formal Invitation to Bid, [including the use of JOC contracts, as appropriate] without further approval of the Housing Authority or the Housing Commission Board, provided that the construction contracts do not exceed the revised budgeted costs of improvements of \$2,900,000, upon advice of General Counsel.

105 HCR15-016 Village North Senior Garden Apartments – Property Acquisition

Michael Pavco, Director, Real Estate Division, and Emily Jacobs, Director of Housing Management, Real Estate Division, presented the request for approval.

Motion by Commissioner Urtasun to take the following staff-recommended action. Seconded by Commissioner Davis and passed by a vote of 6-0:

That the San Diego Housing Commission (Housing Commission) Board approve and recommend that the Housing Authority of the City of San Diego (Housing Authority) authorize the President & Chief Executive Officer (President & CEO), or designee, to perform the following actions:

- 1) Execute any and all documents necessary to allow the Housing Commission to acquire the property located at 7720 Belden Street, San Diego, CA 92111, on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;
- 2) Ratify the execution of a Purchase and Sale Agreement with Village North, LLC, and Brian D. Malone and Jeanette C. Malone, Co-Trustees U/D/T (Seller), dated October 13, 2014;
- 3) Ratify the due diligence budget in an amount not to exceed \$82,115 to investigate the condition of the property including, but not limited to, appraisal, market study, environmental investigation, American Land Title Association (ALTA) survey, physical needs assessment, termite inspection, compliance with the Americans with Disability Act (ADA), tenant relocation, parking study and third-party property management reports;
- 4) Upon satisfactory completion and evaluation of the property during the due diligence period, take such actions and perform such acts as are necessary to acquire the 1.41-acre property with improvements for a negotiated price not to exceed \$14,775,000. The Seller shall provide free and clear title upon acquisition of the property;



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- 5) Execute and record an affordability covenant against the property for 55 years, with all of the units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI);
- 6) Ratify the funding of the refundable escrow deposit of \$100,000 in accordance with the terms outlined in the Purchase and Sale Agreement, which will be applicable to the purchase price and which deposit will become non-refundable upon the expiration of the due diligence period;
- 7) Approve placing into escrow, within three days of the Housing Commission Board approval, an additional refundable deposit of \$47,500 in accordance with the terms outlined in the Purchase and Sale Agreement, which will be applicable towards the purchase price and which deposit will become non-refundable upon the expiration of the due diligence period;
- 8) Authorize the Housing Commission to provide property management services, retain the existing property management company, or procure a new property management company through a competitive Request for Proposal process;
- 9) Authorize the purchase of the property and associated closing costs, utilizing up to \$15,000,000 of U.S. Department of Housing and Urban Development (HUD) Moving to Work (MTW) Funds;
- 10) Substitute approved funding sources for Village North Senior Apartments with locally generated revenue (lease or rental) and/or any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement these approvals by the Housing Commission and Housing Authority, upon the advice of General Counsel;
- 11) Approve all development/project budgets associated with this potential acquisition. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved development/project budget provided the total project/development budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of the Housing Commission and its mission;
- 12) Apply for and obtain a conventional loan to fund the repairs noted in the November 30, 2014, Gafcon report and any related financing costs necessary to obtain said financing. The loan shall conform to Housing Commission underwriting standards referenced within this Housing Commission Board report and shall be competitively procured upon



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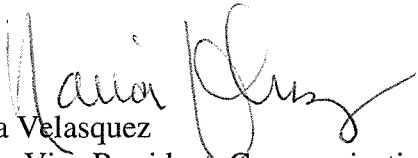
favorable term, rate, and loan-to-value parameters as set forth within this Housing Commission Board report for the property;

- 13) Enter into an agreement with an appropriately selected general contractor, in accordance with Housing Commission procurement procedures, to perform any and all repairs identified in the 2014 Gafcon report, without further action by the Housing Commission and/or the Housing Authority, Boards provided that such agreements are within the parameters and budget set forth within this report and approved by the Housing Authority; and
- 14) Enter into agreement[s] with an appropriately selected architectural team or teams, including architects and engineers (Civil and Structural), necessary to prepare plans and specifications and obtain building permits without further approvals from the Housing Commission and/or Housing Authority Boards, provided that such agreements are procured in accordance with the Housing Commission's procurement policy and provided further that such agreements are within the budget approved by the Housing Authority in this action.

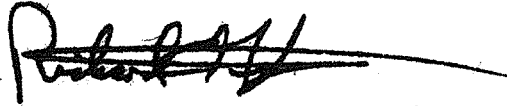
ADJOURNMENT:

Chair Gramling adjourned the Regular Meeting at 9:49 a.m.

Respectfully submitted,


Maria Velasquez
Senior Vice President, Communications
and Legislative Affairs
& Chief Communications Officer
San Diego Housing Commission

Approved by,


Richard C. Gentry
President & Chief Executive Officer
San Diego Housing Commission